

CITY OF SAN ANTONIO



Administrative Directive

AD 8.32 Acceptable Use of City Funds

Procedural Guidelines

Guidelines to ensure consistent and appropriate use of City funds and eligible business expenses

Department/Division

Finance Department, Director's Office

Effective Date

June 1, 2012

Project Manager

Melanie Seale, CPA
Assistant Finance Director

Purpose

The purpose of this Administrative Directive (AD) is to establish general guidelines for the acceptable use of City funds; and to establish policies and procedures for said usage by employees of the City of San Antonio (City personnel). This AD will provide standard background on responsibilities and definitions as well as outline the duties and responsibilities of city personnel regarding the appropriate use of City funds.

Policy

City personnel shall ensure that disbursements of City funds are in the best interest of the City. City personnel are expected to use professional judgment and discretion when utilizing City funds at all times.

City personnel shall ensure that all disbursements regardless of the funding source are handled in accordance with this AD or the requirements of the funding agency, whichever is more restrictive.

Policy Applies To

☐ External & Internal Applicants

☒ Current Temporary Employees

☒ Current Full-Time Employees

☒ Current Volunteers

☒ Current Part-Time Employees

☒ Current Grant-Funded Employees

☒ Current Paid and Unpaid Interns

☒ Police and Fire Academy Trainees

☒ Uniformed Employees Under Collective Bargaining Agreements

Definitions

EXPENSE ALLOWANCE ACCOUNT

A specific general ledger line item created with an annual adopted budget amount for discretionary use by the Department Director.

Policy Guidelines

General Guidelines:

I. Eligible Business Expenses:

A. City funds must be used only to support City business in accordance with the City Charter, Federal and State Law, Adopted Budget, City Ordinance, or City Administrative Directives.

B. Eligible Expenses are those that:

1. Are directly related to and support the City/Department's goals, missions and objectives
2. Are approved in the Annual Adopted Budget or other City Ordinance
3. Are related to a specific event or funding source and have defined eligibility criteria as outlined in one the following Administrative Directives:
 - i. AD 8.31 Travel
 - ii. AD 8.8 Donations & Contributions
 - iii. AD 8.9 Financial Management of Capital Projects
 - iv. AD 8.10 Financial Management for Grants

C. Business Meeting and Training Expenses - include reasonable expenses related to meals, non-alcoholic beverages, and other incidental costs incurred in the course of conducting City business that are eligible expenses. The funds must be specifically budgeted, support City business and approved by an authorized department representative as identified by the Department Director. Expenses should never exceed budgeted amount unless previously coordinated and approved by the Office of Management & Budget (OMB).

D. Hosting and Hospitality Expenses – City personnel and departments such as the Convention Sports and Entertainment Facilities and Convention & Visitors Bureau are required to host and/or entertain clients and industry partners to promote the City of San Antonio to prospective meeting and tourism professionals in an effort to attract conventions and increase tourism to the City of San Antonio. These efforts result in increased Hotel Occupancy Tax and Sales Tax Revenues in support of City operations. Hosting efforts are typically related to site inspections, familiarizations tours, direct sales efforts or any other related sales and marketing opportunity. The following guidelines should be adhered to when Hosting Clients and/or Hospitality Industry Partners:

1. Best judgment should be used when incurring any costs while hosting clients and when possible negotiate discounts and/or complimentary services in advance.
2. Expenses related to meals, beverages and entertainment should take into consideration the client's needs and/or requirements.
3. Expenses related to amenities and gifts for industry clients should be conservative in nature and based on associated business opportunity.
4. Alcoholic Beverages for hosting clients is permitted but should be consumed conservatively.

General Guidelines

I. Eligible Business Expenses (Cont'd):

D. Hosting and Hospitality Expenses (Cont'd) –

5. City personnel and departments responsible for hosting activities shall have a written departmental policy providing employees guidance and direction when conducting hosting activities on behalf of the City. The policy should be approved by the City Manager's Office and the Finance Department.

E. Alcoholic Beverages – Use of City Funds for the purchase of alcoholic beverages, with the exception of Hosting and Hospitality Expenses described above, is not permitted.

F. Expense Allowance – The City recognizes that from time to time there exists the need to provide Department Directors some flexibility when managing their departmental operations and providing them the opportunity to purchase items on a limited basis that are not specifically budgeted.

1. In order to provide this flexibility, Directors have the ability to use the Expense Allowance account for the following types of expenditures:
 - i. Employee retirement and going away receptions
 - ii. New employee welcome events
 - iii. Departmental celebrations
 - iv. Employee appreciation events
 - v. Holiday events
 - vi. Employee Luncheons
 - vii. Flowers & Gifts associated with bereavements, hospitalization, births and celebrations
2. Expenditures are limited to the amount budgeted in the Expense Allowance Account.
3. The amount budgeted in the Expense Allowance Account should not exceed \$1,000. Exceeding the budget would require approval of the City Manager's Office.
4. All expenditures are required to be approved by the City Manager's Office.
5. Employee contributions and fundraisers may be raised to pay or offset the cost of these events and are not required to be recorded in the City's accounting records.
 - i. Departments are required to follow controls to track and safeguard monies raised for these events in accordance with AD 8.1 Cash Handling.
 - ii. Departments may not utilize the City's tax exempt status for non-City sponsored events (e.g. fundraisers).
6. The Director's expense allowance should not be used for items specifically budgeted for in other line items or activity that would be in conflict with the City Charter, City Ordinance or State or Federal law. Expense Allowance Accounts can never be supported by Grant funds.

<p><u>General Guidelines</u> <u>I. Eligible Business Expenses (Cont'd):</u></p>	<p>G. If a proposed expenditure is not listed in this Directive, City personnel shall abide by the following standards in making the expenditure decision.</p> <ol style="list-style-type: none"> 1. All City personnel and approving official must exercise prudent judgment to ensure that the commitment or expenditure of City funds is appropriate and essential. 2. The expenditure is reasonable, necessary, and in keeping with our responsibility as a custodian of public funds. 3. There must be a budget appropriation for such expenditures. 4. Commitments and expenditures must support the City's and Department's mission. 5. The expenditure will not be personal in nature. 6. The expenditure will not be used as additional compensation (e.g. bonuses, cash, gifts, gift cards, prizes, awards) except as outlined in Administrative Directives or approved City Programs. 7. May be eligible under the Director's Expense Allowance Account, as long as it is not Grant funded.
<p><u>General Guidelines</u> <u>II. Documentation Requirements:</u></p>	<p>A. Documentation requirements for City business meeting for training, travel and expense allowance expenditures include, at a minimum:</p> <ol style="list-style-type: none"> 1. Description and purpose of expense; 2. Name of group or entity hosting in attendance as well as City employees; 3. Itemized receipts; and 4. Potential economic impact to the City for hosted events. <p>B. Further documentation requirements may be applicable depending on the funding source, department policies or other applicable Administrative Directives or City policies. City personnel are required to ensure that documentation is sufficient to the strictest requirement in effect.</p>
<p><u>General Guidelines</u> <u>III. Actions for Noncompliance:</u></p>	<p>A. Excessive or Ineligible Costs – Any costs deemed excessive or ineligible will not be reimbursed by the City and will be the responsibility of the employee who incurred the cost.</p> <p>B. Disciplinary Actions – Employees will be held accountable for all purchases made using City funds. Expenditure of City funds made by an employee that is not in line with this Administrative Directive, and does not support the mission of the City or Department may be grounds for disciplinary actions, up to and including possible termination.</p> <ol style="list-style-type: none"> 1. Questionable expenditures may be reportable to the Office of Municipal Integrity for further review and follow up, when deemed appropriate.

Roles & Responsibilities

<p><u>Office of Management and Budget (OMB):</u></p>	<p>A. OMB will work with the departments each year in order to ensure that the proposed budget is in line with department historical spending, needs and current year budget requirements.</p>
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Office of Management and Budget (OMB) (Cont'd):

- B. OMB will include, in each department's annual budget, an appropriate amount for that department's expense allowance deemed reasonable, based on the department's operations and size.
- C. Annual budgeted expense allowance should not exceed \$1,000 per department, unless deemed appropriate by OMB, or if an exception is approved by the City Manager's Office.
- D. OMB will review and approve a department's request for budget adjustments to determine whether the budget adjustments are warranted and authorized.

All Departments:

- A. Department Directors are expected to be conservative in their use of the expense allowance, as if such expenditures were being paid by themselves.
- B. Department Directors will ensure that expense allowances are not utilized on activities/costs that are budgeted elsewhere within the department.
- C. Department Directors are expected to use professional judgment and discretion when utilizing City's funds at all times.
- D. City personnel shall attach detailed receipts and other documentation as required by the AD for all items for which reimbursement is being requested.
- E. City personnel shall complete "Itemization of Expense Allowance" Form (**Attachment A**) to include the purpose of the expenditure, amount, people present and the general nature of the City business conducted.
- F. Department Directors should develop their annual budget for food or other line items to account for similar eligible expenses taking into account recurring events, anticipated current year activities, and budget availability.
- G. Department Directors will ensure that expenses will not exceed the budgeted line items for either the food or expense allowance.

If overages occur, the Department Director may request a budget adjustment using eligible remaining balances left in the department's adopted budget as approved by the City Manager's Office or OMB.
- H. Department fiscal operations will review completed "Itemization of Expense Allowance" Forms to ensure expenses are in accordance with City policies and departmental budget before submitting for payment.
- I. Departmental policies associated with hosting or similar activities conducted on behalf of the City should be submitted to the Finance Department for review and approval.

<u>Finance Department:</u>	<p>A. Department Fiscal Administrators are required to review invoices and receipts submitted for payment to ensure validity of expenses and that ineligible costs are not being requested for payment.</p> <p>B. The Finance Department will be responsible for issuing checks to the Department Directors or approved vendors for the reimbursement of those expenses approved by the City Manager's Office (or authorized by this AD/budget appropriation).</p> <p>C. The Finance Department will be responsible for approving departmental policies associated with hosting or similar activities conducted on behalf of the City.</p>
<u>City Manager's Office:</u>	<p>A. When required by this AD, the City Manager's Office will review and approve expense allowance usage to determine eligibility for payment by the City.</p> <p>B. City Manager's Office is authorized to issue exceptions to this AD.</p>
Attachments	
Attachment A	Itemization of Expense Allowance Form
Attachment B	Acknowledgement Form

This directive supersedes all previous correspondence on this subject to include AD 3.1 General Provisions.

Information and/or clarification may be obtained by contacting the Finance Department



CITY OF SAN ANTONIO

<INSERT DEPARTMENT NAME> INTERDEPARTMENTAL MEMORANDUM

To: <Insert City Manager's Officer Name and Title>
From: <Insert Director's Name> – Director, <Insert Department Name>
Copies: File
Subject: Approval of Expense Allowance Purchases
Date: <Insert Date>

The <Insert Department Name> is requesting the following amount be authorized for use from the Director's Expense Allowance for <Insert Purpose>.

The <Insert Department Name>'s expense allowance summary detail is as follows:

Fund: _____
Cost Center: _____
Fiscal Year: _____
Expense Allowance Budget: \$ _____
Spent to Date: \$ _____
Amount Requested: \$ _____
Remaining Balance: \$ _____

The <Insert Department Name> [will] or [will not] use a department P-card to purchase items requested.

APPROVED:

<Insert Department Director's Name>
<Insert Title>

<Insert City Manager's Officer Name>
<Insert Title>



CITY OF SAN ANTONIO

EMPLOYEE ACKNOWLEDGMENT FORM FOR

ADMINISTRATIVE DIRECTIVE 8.32 ACCEPTABLE USE OF CITY FUNDS

Employee:

I acknowledge that on _____, 20____, I received a copy of Administrative Directive 8.32 Acceptable Use of City Funds. I understand if I should have any questions I should contact my Human Resources Generalist.

Employee Name (Print)

Department

Employee Signature

SAP ID #